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United Nations Industrial Development Organization

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# Programme and Budget Committee

Twentieth session
Vienna, 8-9 September 2004
Item 2 of the provisional agenda

## ANNOTATED PROVISIONAL AGENDA

**Opening of the session**

In accordance with rule 17.2 of the rules of procedure (UNIDO/4), the twentieth session of the Programme and Budget Committee will be opened by the Chairman of the Committee, Mr. A.S. Naqvi (Pakistan).

**Item 1. Election of officers**

In accordance with rule 17.1, each year, at the commencement of its regular session, the Committee shall elect from among the representatives of its members a Chairman and three Vice-Chairmen, and from among the delegations of its members a Rapporteur. Rule 17.3 stipulates that the offices of the Chairman, the three Vice-Chairmen and the Rapporteur shall be subject to equitable geographical rotation within a five-year cycle in accordance with appendix A to the rules of procedure. According to that appendix, the Chairman of the twentieth session should be elected from members of the Committee from States in List D, and the three Vice-Chairman from the African States in List A, the Asian States in List A and States in List C. The Rapporteur should be elected from members of the Committee from the States included in List B.

**Item 2. Adoption of the agenda**

A provisional agenda for the twentieth session, prepared by the Director-General in consultation with the Chairman of the Committee in accordance with rules 8 and 9 of the rules of procedure, is submitted to the Committee for adoption in document PBC.20/1 as stipulated in rule 12.

**Item 3. Report of the External Auditor, financial performance report and programme performance report for the biennium 2002-2003**

Financial regulations 11.9 and 11.10 stipulate that the reports of the External Auditor, together with the audited financial statement, shall be transmitted through the Committee to the Board in accordance with directions given by the Conference. The Committee shall examine the financial statements and the audit reports and submit recommendations to the Board, which shall forward them to the Conference with such comments as it deems appropriate.

The Committee in its conclusion 1987/19 requested the Director-General to submit each year to the Board through the Committee a clear and detailed financial performance report itemizing the utilization of financial resources, as well as a programme performance report describing the level of programme implementation. Subsequently, the Board at its seventh session (decision IDB.7/Dec.11 (e)) approved the incorporation of the programme performance report in the annual report. Likewise the General Conference in its resolution GC.4/Res.2 requested the Director General to fully incorporate in future annual reports the programme performance report according to Board decision IDB.7/Dec.11 (e). Thus, the *Annual Report of UNIDO 2003* and its addendum contain the programme performance report for 2003.

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

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The Committee will have before it:

- Report of the External Auditor on the accounts of UNIDO and of the Industrial Development Fund for the fiscal period 2002-2003 ended 31 December 2003 (PBC.20/3-IDB.29/3)

- Financial performance report for the biennium 2002-2003. Submitted by the Director-General (PBC.20/5-IDB.29/5)

- *Annual Report of UNIDO 2003* (including programme performance report for 2003) (PBC.20/2-IDB.28/2)

**Item 4. Transition to a single-currency system**

In accordance with General Conference decision GC.8/Dec.16, a single currency system of assessment based on the euro became effective with the previous fiscal period 2002-2003. The report by the Director-General to the Board at its twenty-eighth session (IDB.28/9) provided information on further developments, inter alia, resulting from the closure of the biennial accounts, as well as on the management of technical cooperation projects in both dollars and euros, in compliance with Board decision IDB.27/Dec.5. At its twenty-eighth session, the Board adopted decision IDB.28/Dec.5, which requested the Director-General to inform Member States of further developments related to the transition to a single-currency system, as well as on the financial management of technical cooperation projects in both dollars and euros.

No new documentation is anticipated for this item, but any new developments will be brought to the attention of the Committee in a conference room paper.

**Item 5. Financial situation of UNIDO**

The report by the Director-General to the Board at its twenty-eighth session (IDB.28/10), amended through a note by the Secretariat (IDB.28/CRP.5), covered a wide range of issues within the context of the financial situation. That information will be updated in a document submitted to the present session.

The Committee will thus have before it:

- Financial situation of UNIDO. Report by the Director-General (PBC.20/8-IDB.29/8)

**Item 6. Mobilization of financial resources**

At its twenty-fifth session the Board adopted decision IDB.25/Dec.5 on funds mobilization for integrated programmes. In that decision in paragraph (i), the Board, inter alia, requested the Director-General to maintain a continuous dialogue with Member States in order to actively sustain the common resource mobilization efforts. A report on progress made will be submitted to the Board through the Committee, and should be considered in conjunction with the *Annual Report of UNIDO 2003*, which provides information on mobilization of financial resources for that year.

The Committee will have before it:

- Mobilization of financial resources. Report by the Director-General (PBC.20/4-IDB.29/4)

- Perspective four: consolidation of funding performance—funds mobilization. *Annual Report of UNIDO 2003* (PBC.20/2-IDB.28/2, chap. VI)

- Projects approved under the Industrial Development Fund, trust funds and other voluntary contributions in 2003 (PBC.20/CRP.2)

**Item 7. Security enhancements and proposed new conference facilities**

At a joint presentation with other Vienna International Centre (VIC) organizations on 22 April 2004 permanent missions were informed of new security enhancements and of a proposal by the host Government to expand conference facilities at the VIC. Relevant information will be brought to the attention of the Committee in the following document:

- Security enhancements and proposed new conference facilities. Note by the Secretariat (PBC.20/7-IDB.29/7)

**Item 8. Medium-term programme framework, 2006-2009**

In accordance with General Conference decision GC.2/Dec.23, and as subsequently modified in decision GC.6/Dec.10, the Director-General is requested to submit to the Board in the first year of each fiscal period, through the Committee, a draft medium-term programme framework for the four years that follow the current fiscal period. Furthermore, in compliance with paragraph (b) (v) d of the same decision, the Director-General will indicate a general ceiling for the biennium 2006-2007 based on anticipated resources and on programme activity.

The Committee will have before it:

- Medium-term programme framework, 2006-2009. Proposals by the Director-General (PBC.20/6-IDB.29/6)

**Item 9. Draft cooperation agreement with the United Nations Development Programme**

In decision IDB.28/Dec.2, paragraph (e), the Board invited the Director-General to continue his dialogue with the United Nations Development Programme with a view to submitting a proposal on a potential alliance in the field and in the context of the ongoing reform process for further consideration by the Board and/or the Conference. Subsequently, the informal advisory group on decentralization recommended the consideration of the matter by the Programme and Budget Committee, as outlined in the following document:

- Draft cooperation agreement with the United Nations Development Programme. Recommendation of the informal advisory group on decentralization (PBC.20/9-IDB.29/9.

**Item 10. Date of the twenty-first session**

The following dates have been reserved for the policy-making organs of UNIDO in 2004 and 2005:

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| 9-11 November 2004 | Industrial Development Board, twenty-ninth session |
| 10-12 May 2005 (tentative) | Programme and Budget Committee, twenty-first session |
| 21-23 June 2005 (tentative) | Industrial Development Board, thirtieth session |
| 28 November-2 December 2005 (tentative) | General Conference, eleventh session |

**Item 11. Adoption of the report**